

Coins

Bahamas gold: Make sure you mine it wisely

By Roger Boye

A READER from Chicago Heights asks a question about a widely advertised foreign gold coin:

"I am considering buying a 1974 Bahamas \$100 gold coin. I've seen coins like this advertised in several newspapers.

"The dealer says the coin is proof, the finest condition available, and he is selling it for \$150. He also says the gold is .500 fineness.

"Could you tell me how much the gold in the coin would be worth on the market? Also, do you think it is a good investment?"

This coin contains .2893 of a troy ounce of pure gold. Assuming gold is selling for \$170 an ounce, the gold in this coin is worth \$49.30. Or, from another viewpoint, the gold in this coin would cost you \$517.24 on a per-ounce basis.

Of course, coins become valuable for reasons other than just the value of the metal within the coin. Perhaps this coin will become a popular collector's item in a few years, with collector demand pushing the price way above \$150. On the other hand, perhaps it will not become so popular.

However, if your objective is to buy a gold

coin where the value of the gold is close to the purchase price, you would do better buying other types of foreign gold coins.

For example, the 1974 uncirculated South African krugerrand contains .92 of a troy ounce of pure gold. This amount of gold is worth \$156.40, assuming gold is selling for \$170 an ounce. The 1974 krugerrand has been sold by some Chicago area dealers for about \$175.

The krugerrand is known as a "bullion gold coin" because the value of the gold within the coin is fairly close to the coin's retail selling price.